Prime Focus Q1 FY15 Consolidated revenues at Rs 3.5 bn

First quarter including impact of PFW-Double Negative Merger

Mumbai, November 14, 2014: Prime Focus Limited, the global leader in media and entertainment services, declared its unaudited financial results for the quarter ending Sep 30, 2014 on November 14, 2014. These are the first quarter results post completion of the PFW-DNEG merger which has led to revenues scaling up to Rs 3.5 bn. The Company has initiated a global Integration process at its London, Vancouver and Indian facilities across both these entities. Consequently, effects of first phase of one time integration costs is also reflected in the financials.

Key financial highlights

Q1'FY15 (Consolidated)

- Revenue for the quarter at Rs 3,502 mn as against Rs 1,961 mn in quarter ending Sep-13. The quarter marked the completion of Double Negative and PFW merger, and hence the Q-o-Q and Y-o-Y financials are not comparable.
- Creative business now contributes to 77% of revenue and technology business contributes to 13% of total revenues for the Group.
- Reported EBITDA is at Rs 112 mn and Loss for the quarter is Rs 220 mn. Margins have been impacted primarily due to seasonal effects and due to significant duplication of costs in the creative services business in the first quarter post-merger.
- Significant impact from integration and redundancy costs across London, Vancouver and India operations of the creative business - 900-1,000 people have already been impacted.
- The Integration plan has begun well and is being executed in a phased manner, as the Company goes through the process of consolidating the businesses globally.

Key operational highlights for the quarter

Prime Focus World (PFW)

- Key projects delivered including recent Hollywood & Bollywood hits like *Hercules*, *Teenage Mutant Ninja Turtles, The Best of Me, Sin City- A Dame to Kill For, Bang-Bang*, *Kick, Happy New Year* and *Mary Kom*
- On-going projects include *Interstellar, Exodus: Gods and Kings, Terminator-Genisys, Ant-Man, Batman v Superman, Avengers, Insurgent* among others
- Prime Focus World received a Lumiere™ statuette award for its 'Hybrid Stereo Pipeline', the technology behind PFW‟s stereo conversion work.

Prime Focus Technologies (PFT)

- DAX integration is playing out well - PFT has already added 3 new customers as well as enhanced revenue opportunities from existing customers
- Crown Media signs a deal with PFT to deliver DAX® production workflow solution which will be used to manage 40 television movies and four series productions per year
- CLEAR unveils 'industry first' features which will further strengthen its position as the most trusted and available cloud technology platform in the market for transforming the content business
- PFT launches first global go-to-market (GTM) campaign 'Journey to the Cloud' at IBC 2014 reinforcing proven Cloud credentials and the goodness of CLEAR Media ERP Suite
- PFT announced the addition of an SEZ facility in Bangalore that will cater to major international client engagements, including MNET, Warner Bros., IFC and A&E TV Network.

Commenting on results Mr. Namit Malhotra, Executive Chairman and Group CEO, Prime Focus Ltd said

It has been an eventful quarter for us as a Group, where PFW completed the merger with Double Negative (D-Neg) which we all are very excited about. At the same time, we initiated a significant integration and consolidation exercise across our global footprint. These extra ordinary one time costs juxtaposed with seasonally the slowest quarter in the Industry has had a major impact on our bottomline. The integration process with D-Neg has started well with the strategic assumptions playing out as expected. Post D-Neg integration, we are proud to announce that we have now become a fully integrated Tier I provider of creative services solutions globally. Our focus on cost stays high - we have shutdown our London and Vancouver VFX operations in PFW. The RMW's FMS business merger is awaiting regulatory accelerated growth path we are extremely positive approval post which we expect to complete the transaction expeditiously. PFT is witnessing increasing traction for its products in the International markets and we are very excited about the growth opportunities there in addition to the continued momentum in India. With all our businesses on an accelerated growth path, we are very excited about the future, as you look beyond the one time integration costs, there are significant post-merger revenue & margin enhancement opportunities ahead.

About Prime Focus Limited

Prime Focus Limited (PFL), the world's largest media services powerhouse employs over 5,500 professionals in 16 cities across 4 continents and 7 time zones. We provide end-to-end creative and technology services including visual effects, stereo 3D conversion, animation, post-production, Digital Intermediate (DI), equipment rental, hybrid cloud-enabled Media ERP technology and cloud media services to Studios, Broadcast, Advertising and Media industries.

Prime Focus Ltd

Prime Focus is behind path breaking technologies like CLEAR™ (Hybrid Cloud technology enabled Media ERP platform), Primetime Emmy® award-winning DAX Digital Dailies® and View-D™ (stereoscopic 2D to 3D conversion). Leveraging our Global Digital Pipeline and pioneering delivery model WorldSourcing® we partner content creators at every stage of the process ensuring creative enablement, work flow efficiencies and cost optimization.

2014 has seen a spate of M&A: Prime Focus Technologies acquired DAX, a leading provider of cloud-based production workflow and media asset management applications; Prime Focus World merged with Double Negative, one of the world's foremost providers of visual effects; and Reliance MediaWorks merged their global film and media services business with Prime Focus Limited.

Listed on the BSE and NSE of India, Prime Focus has operations in Bangalore, Beijing, Cape Town, Chandigarh, Delhi, Goa, Hyderabad, Johannesburg, Kolkata, London, Los Angeles, Mumbai, New York, Singapore, Toronto and Vancouver.

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